

VZCZCXRO5289
RR RUEHDBU RUEHLN RUEHSK RUEHVK RUEHYG
DE RUEHEK #0470/01 1351059
ZNR UUUUU ZZH
R 151059Z MAY 09
FM AMEMBASSY BISHKEK
TO RUEHC/SECSTATE WASHDC 2190
RUEHPNH/NVC PORTSMOUTH NH
INFO RUCNCIS/CIS COLLECTIVE
RUEHFT/AMCONSUL FRANKFURT 3872
RUEHKO/AMEMBASSY TOKYO 0174
RUEHUL/AMEMBASSY SEOUL 0274

UNCLAS SECTION 01 OF 04 BISHKEK 000470

SIPDIS

DEPT FOR CA/FPP AND CA/VO;
DEPT PASS TO KCC
POSTS FOR FRAUD PREVENTION MANAGERS;
FRANKFURT FOR KBROUGHAM

E.O. 12958: N/A

TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [KG](#)

SUBJECT: KYRGYZSTAN FRAUD SUMMARY SEPTEMBER - MARCH 2009

REF: A) Bishkek 1023
B) State 74840

11. Country Conditions: Kyrgyzstan, a former Soviet republic of five million people, is a country in transition. Corruption pervades almost all aspects of life and business in the Kyrgyz Republic. Kyrgyzstan was ranked as one of the most corrupt countries in the world in a recent Forbes magazine article. Poverty and high unemployment leads many to pursue work abroad, overwhelmingly in the Russian Federation and Kazakhstan. Recent press reports estimate approximately 500,000 Kyrgyz citizens are living abroad and remitting salaries home. Inflation this past year is estimated to be 25 - 30%.

Conditions in Kyrgyzstan vary between the north, where the majority population are Kyrgyz and the terrain is mountainous, and the south which contains part of the Ferghana valley and a large ethnic Uzbek population. Kyrgyzstan's ethnic minorities also include Russians who remained after the collapse of the Soviet Union, ethnic Germans, Koreans, Uighers and other peoples of Central Asia. It has not been unusual in the past for members of these groups to claim asylum in the U.S. based on either religious beliefs or for political reasons. While there is occasionally some tension amongst various groups, there have been no serious recent conflicts or organized repression of ethnic groups in Kyrgyzstan.

Agriculture plays an important role in the Kyrgyz economy. Unemployment, according to different measures, is estimated to be 12 - 18%. As mentioned above, a significant portion of population work abroad and remit approximately \$710 million USD back to Kyrgyzstan - a figure that is approximately 60% of the national budget. Banks are generally not trusted or utilized by the average citizen, which results in the majority of people maintaining their savings in hard currency. As a result of the recent global economic crisis and increases in food and fuel prices, conditions have become more difficult for the average Kyrgyz citizen over the last year. Travel to and from the Kyrgyz Republic is difficult and expensive. The majority of Kyrgyz will vacation within Kyrgyzstan rather than abroad. It is very rare to encounter an NIV applicant who has traveled to destinations other than Kazakhstan or Russia.

12. NIV Fraud:

NIV fraud is usually detected during the interview process and is refused under 214 (b) of the INA. NIV fraud primarily consists of fraudulent supporting documents, such as bad letters of invitation, false bank statements, or false job letters. Post does not give credence to such documents during routine interviews. However, this is a problem when processing student visas. The reporting period saw a steady stream of applicants wishing to study at community colleges or English as a Second Language (ESL) programs that are

low-cost and located where friends or relatives live in the US. New York remains the destination of choice for both tourists and students who apply for NIVs. The majority of applicants will only open a bank account locally within days of the visa interview and deposit the minimum amount of funds required by the I-20 form. The education system in Kyrgyzstan is notoriously corrupt and grades cannot be relied upon as an accurate indicator. Most students will take the semester or year off of their studies to go to the US. In order to receive credit for their studies abroad, they are supposed to study in a related field to their major. Post has seen that this is not the case with most student visa applicants.

During this past reporting period, Post encountered several cases of individuals posing as journalists in order to receive I non-immigrant visas. Post's first fraudulent "journalist" applied with credentials supplied by Kyrgyz National Radio and Television Company. Her purpose of travel was to cover the matches of a Kyrgyz boxer based in Las Vegas. Subsequent to issuance, post read of her immediate marriage to said boxer in a local newspaper article which described her as the long-term girlfriend of the athlete. Further investigation revealed that she had never worked as a journalist and had been dismissed from her position as a clerk. Her credentials had been provided by a member of the Kyrgyz government.

The second group of journalists post encountered consisted of three applicants, applying with a diplomatic note from the Kyrgyz Ministry of Foreign Affairs (MFA), stating that they intended to spend one year in the U.S. producing documentary films. Local staff immediately noted that the "editor," a former wrestler, had been involved in a scandal a few years ago involving the misappropriation of merino sheep donated by the Australian government to improve the quality of Kyrgyz livestock. None of the applicants had any

BISHKEK 00000470 002 OF 004

journalism experience, nor could they produce examples of their work. The salaries they were allegedly going to be paid while in the U.S. were barely above the poverty guidelines and represented a major investment for a Kyrgyz company - yet no one had ever heard of this company. Initial checks failed to discover any real existing office space or place of employment - only an empty warehouse. During the interview, the applicants claimed to have offices in Japan and South Korea. Furthermore, none of the applicants could coherently articulate the exact nature of their activities and how they would accomplish their projects once in the U.S. FPU Tokyo and FPU Seoul confirmed that this television company never existed in any of those locations. This instance of document fraud confirmed recent rumors of increased corruption in the Ministry of Foreign Affairs. The British Embassy in Astana reported that they received identical applications from the same company. Other foreign embassies have reported that diplomatic passports are being issued in new identities and that places in official delegations are being offered for sale. While post has not encountered any fraud in diplomatic or official visa applications, it is carefully reviewing all such applications it now receives.

Post is in the process of preparing for 2009 Summer Work and Travel (SWT) applications. In FY 2008, post processed 1,035 SWT applications. Post was pleasantly surprised to find very few cases of fraudulent students. However a validation study revealed that 25% of issued students failed to return (Note: in FY 2007, 35% of student failed to return. End Note.) Of that 25%, approximately 50% of students changed status to F-1 visas - thus evading thorough review of their future intentions. The majority of these students were attending Kyrgyzstan's most expensive and prestigious universities. In most cases, students changed status and enrolled in less expensive community colleges.

13. IV Fraud: Post has seen no significant trends in IV fraud. The majority of marriage cases involve Kyrgyz citizens marrying US citizen who are local contractors or servicemen on active duty. Post has seen an increase in U.S. petitioners incorrectly completing the I-130 Petition for an Alien Relative. It is not unusual for the petitioner to "forget" to list previous marriages so as to avoid having to secure copies of divorce records for petitions. IV's for Kyrgyz citizens are processed in Almaty, Kazakhstan.

14. DV Fraud: Post does not process diversity visas.

15. ACS and Passport Fraud: Passport and CRBA issuance is relatively low in Bishkek. The large number of contractors working at the nearby coalition airbase has increased the number of marriage-based petitions filed as well as CRBA applications.

During the reporting period, post encountered one case of a CRBA that may have been issued erroneously. In November 2008, post received a poison pen from a local citizen claiming to be the father of a child documented as a U.S. citizen in 2005. Review of the application indicated that the child had not been born in wedlock and the local citizen's claim could potentially be plausible. The transmitting U.S. parent later married the mother and allegedly fathered another child who has not been documented. However, he has since divorced the child's mother, reportedly over the fact that the oldest child is not his. The mother re-married another U.S. citizen and is attempting to apply for a new passport for the oldest child. Post has suspended the case pending the results of DNA testing with the reported U.S. citizen father.

Post has seen an increase in potential wire fraud against U.S. citizens. As with other former Soviet countries, U.S. citizens are meeting alleged single women via the internet. As the on-line relationship develops, these women begin requesting money. In the cases seen this past reporting period, U.S. citizens are instructed to wire money either directly to the "women," to "the visa center" or their new "e-gold wire money system" which promises visa issuance and plane ticket purchase in one transaction. Post received increasing numbers of e-mails from U.S. citizens requesting confirmation of the "visa center" and the visa application requirements. In some of the e-mails, a complete address and telephone number was provided. Post's investigation showed that the addresses are non-existent and the telephone numbers are false. The scammer usually asks for \$2,000 - \$4,000 US from the potential victim. Post worked with RSO on these investigations and informed inquirers of the dangers of money transfer to unknown parties.

16. Adoption Fraud: Changes to the Kyrgyz Family Code in 2006 led directly to a dramatic increase in the number of Kyrgyz children adopted by US citizens. Kyrgyzstan ranked #18 on CI's list of top

BISHKEK 00000470 003.3 OF 004

20 adoption source countries for FY 2007. For the past three years, Post has reported its concerns regarding the lack of internal controls in the Kyrgyz adoption process. In FY 2007 and FY 2009, post encountered several adoptions that contradicted Kyrgyz law and procedures. Post saw several cases in which children as young as two weeks old were approved for international adoption - depriving local citizens of their right under law for first choice. In October 2008, the Kyrgyz government ceased processing adoptions with no warning or explanation. The Minister of Education and the Deputy Minister of Education were dismissed in January 2009. Meetings with the Kyrgyz Vice-Prime Minister on Social Issues revealed that there are twenty-four children that the Kyrgyz government cannot trace. The government believes that they have been adopted abroad but cannot be sure. In March 2008, the Prosecutor General's Office announced that at least 100 Kyrgyz children have been adopted abroad illegally. (Note: Embassy Bishkek processed 72 I-604 Investigations in FY 2008. There are no reports of any significant numbers of adoptions by other nationalities. End Note) According to the reports, documents from the Ministry of Education, such as the official permission or official approval, had been forged as cases were turned over to the local courts. In one case, a Bishkek judge denied an adoption request. The child was then transferred to another city where the adoption was immediately approved by another judge. To date, there are approximately 65 U.S. families waiting to complete their adoptions.

17. Use of DNA testing: During the reporting period, post had one case that required DNA testing. Please see the section on ACS and Passport Fraud for further details. In general, post rarely performs or has need to perform DNA testing.

¶8. Asylum and other DHS benefit fraud: Post does not normally process any asylum cases but is occasionally called upon to verify locally issued documents supporting asylum and immigration applications at other posts.

¶9. Alien Smuggling, Trafficking, Organized Crime, and Terrorist Travel: Kyrgyzstan is a country of origin and transit for human trafficking. As per Bishkek's 2009 Trafficking in Person's (TIP) report, trafficking occurs for both forced labor and sexual exploitation. The majority of trafficking victims travel to Kazakhstan, Russia, Turkey or the UAE. Recent press reports indicate that there is a small, growing number of Central Asians who make their way to New York and other destinations in the U.S. However the extent of this problem is not currently known.

Due to the widespread sale of the pre-2005 Kyrgyz passport, the US government ceased to recognize it as a valid travel document. This old version of the Kyrgyz passport was discovered to be a key tool for traffickers in transporting people out of Kyrgyzstan to other destinations.

The Embassy places restrictions on USG personnel for travel to certain parts of Kyrgyzstan, such as Batken Oblast, to security and terrorism concerns. In 2006, suspected militants attacked a border post in the Batken region. The Islamic Movement of Uzbekistan and other terrorist organizations remain active in Central Asia. Press reports during the reporting period report "invasions" by Tajiks into Kyrgyz valleys. Land borders, especially in the South, are easily crossed by nationals of neighboring countries. Citizen of CIS countries do not need a passport to enter Kyrgyzstan - only an ID card.

¶10. DS Criminal Investigations: Post does not have an RSO-I but works well the RSO on related cases. Post has not referred any cases to RSO for investigation during this reporting period.

¶11. Host Country Passport, Identity Documents, and Civil Registry: Practically any document issued in the country can be fraudulently obtained, for a price. The procedures for issuance of civil documents are similar to those in the Russian Federation and other former Soviet Republics. A birth or death is recorded on a certificate called a spravka issues by a hospital. This certificate is usually a flimsy piece of newsprint that is completed by hand. It has no security features other than a stamp. The bearer then files this certificate with their regional Vital Records Office known locally as ZAGS (Zapisi Aktov Grazhdonskovo Sostoyanoye). Birth certificates are only issued for Kyrgyz citizens. The only record of birth for foreigners would be the certificate issued by the hospital where the birth occurred - a document that is vulnerable to fraud.

BISHKEK 00000470 004 OF 004

Previous negligence in the Kyrgyz passport agency led to their availability on the black market in several countries. This led to the de-recognition of the 1994 Kyrgyz passport, which has recently been replaced by the 2004 version. While a significantly more secure document than the previous passport, it is still vulnerable to fraud based on the documents presented to obtain a passport. During the reporting period, post received reports of passports and birth certificates being sold by various government officials including the Kyrgyz MFA. The previous head of the Kyrgyz Consular Department was dismissed in December 2008 for reportedly selling official passports. Recent reports indicate that others are continuing this practice.

¶12. Cooperation with Kyrgyz authorities: Cooperation with the host-government on visa and immigration matters is good. Post continues to build its relationship with the airport Border Guards as mentioned in Ref A.

¶13. Areas of particular concern: Post's major areas of concern are adoption fraud and the continuation of the Summer Work and Travel Program. As noted above, adoptions have completely halted leaving 65 families with no recourse. Many of these families have been waiting over one year to complete their adoptions. As stated above,

the Prosecutor General has opened several investigations into child trafficking and illegal adoptions.

¶14. Staffing and training: Currently, the Fraud Prevention Unit is staffed by the Consular Section Chief, who is the sole consular officer at post, and a Fraud Investigator. The consular officer received CA's Anti-fraud Training course at FSI. The new Fraud Investigator has completed CA's on-line fraud training, is in the process of completing the consular correspondence courses, and has attended Anti-Fraud Training at FSI.

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